

STATEMENT OF COMMISSIONER SHEILA F. ANTHONY

CONCURRING IN PART AND DISSENTING IN PART

I support the Commission's 1999 Report to Congress on Self-Regulation and Privacy ("Report"). The Report commends the seal programs and the few responsible industry leaders that have undertaken significant efforts to protect online privacy by adopting fair information practices in their online dealings with consumers. I agree with the Report's conclusions that industry leaders must continue to encourage widespread adoption of fair information practices; focus attention on the substance of web site information practices; and work together with government and consumer groups to educate consumers about privacy protection on the Internet. I also support the Commission's agenda to address the public's strong concern about online privacy.

I am dismayed, however, with the results of the two studies cited in the Report. According to the studies, there is an enormous gap between the online collection of individually identifiable information and the protection of that information by the web site owners' implementation of fair information practices of notice, consent, access, and security. While 93 to 99 percent of the surveyed sites collect personal information from consumers, only 10 to 20 percent of these sites have privacy disclosures implementing the four basic substantive fair information practices.¹ It is not hard to see why surveys show that the vast majority of Americans are concerned about threats to their privacy online.²

I disagree with the majority's opinion that "legislation to address online privacy is not appropriate at this time."³ As a whole, industry progress has been far too slow since the Commission first began encouraging the adoption of voluntary fair information practices in 1996.⁴ Notice, while an essential first step, is not enough if the privacy practices themselves are toothless. I believe that the time is ripe for federal legislation to establish at least baseline minimum standards upon which meaningful self-regulation can flourish. I note that bipartisan bills are pending in both the House and the Senate and could provide a good starting point for crafting balanced protective legislation. I am concerned that the absence of effective privacy protections will undermine consumer confidence and hinder the advancement of electronic commerce and trade.

¹ See Report at 8 - 9.

² See Report at 2 - 3.

³ See Report at 15.

⁴ "Staff Report, Public Workshop on Consumer Privacy on the Global Information Infrastructure," (December 1996).